

ORDER OF BUSINESS

BOARD OF ADMINISTRATION

INVESTMENT COMMITTEE

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

AUGUST 17, 1998

PLACE: Lincoln Plaza Building
400 P Street, Auditorium
Sacramento, California

TIME: **CLOSED SESSION (8:30 a.m.)** Chief Investment Officer's
Briefing on Market & Personnel
Issues

CLOSED SESSION (9:30 a.m.) or upon adjournment of the
8:30 a.m. Closed Session,
whichever is later

OPEN SESSION (10:30 a.m.) or upon adjournment of Closed
Session, but not to start later
than 1:30 p.m.

ROLL
CALL: Committee Members

Charles Valdes, Chair
William Crist, Vice Chair
Ronald Alvarado
Robert Carlson
Thomas Clark
Kathleen Connell
Michael Flaherman
Matt Fong
Mike Quevedo, Jr.
William Rosenberg
Kurato Shimada
Joseph Thomas
David Tirapelle

**INVESTMENT COMMITTEE
AUGUST 17, 1998**

**CLOSED
SESSION
(8:30 a.m.)**

**CHIEF INVESTMENT OFFICER'S BRIEFING ON
MARKET AND PERSONNEL ISSUES**

(Gov. Code sec. 11126(a)(1) and (c)(16).)

**CLOSED
SESSION
(9:30 a.m.)**

(Gov. Code sec. 11126(c)(16).)

- | | | |
|---------------------|---|--|
| | 1. | CALL TO ORDER AND ROLL CALL |
| ACTION | 2. | Approval of the June 15, 1998 Closed Session Minutes |
| ACTION/INFO | 3. | Real Estate |
| ACTION/INFO | 4. | Alternative Investment Management (AIM)
Program <ul style="list-style-type: none">a. Partnership Componentb. Direct Component |
| INFORMATION | 5. | Chief Investment Officer's/Assistant
Executive Officer's Report <ul style="list-style-type: none">a. Projected Cash Flow |
| CONSENT | 6. | Activity Reports <ul style="list-style-type: none">a. Real Estate Equity Transaction Reportb. Alternative Investment Management (AIM) Program -
Partnership Componentc. Alternative Investment Management (AIM) Program -
Direct Component |
| OPEN SESSION | 10:30 a.m. (or upon adjournment of Closed Session, whichever
is later) | |
| | 7. | CALL TO ORDER & ROLL CALL |
| ACTION | 8. | Approval of the June 15, 1998 Open Session Minutes |

INFORMATION	9.	Real Estate
ACTION		<ul style="list-style-type: none"> a. RREEF Presentation - Industrial Portfolio Western Region b. Delegation of Authority to Senior Investment Officer-Real Estate (Timber Portfolio)
ACTION	10.	Alternative Investment Management (AIM) Program -
ACTION/INFO INFORMATION		<ul style="list-style-type: none"> a. Partnership Component <ul style="list-style-type: none"> 1. Alta California Partners II, L.P. b. Direct Component c. Merchant Bank Concept Analysis
ACTION	11.	Public Markets
ACTION		<ul style="list-style-type: none"> a. Domestic Small and Emerging Manager Program b. Extension of International Investment Management Contracts
ACTION	12.	Asset Allocation Recommendation
ACTION	13.	General Pension Consultant Services (Request for Proposal)
ACTION	14.	Master Custodian Contract Extension and Request for Proposal
ACTION/INFO	15.	Legislation
INFORMATION	16.	Policy Subcommittee Report
ACTION		<ul style="list-style-type: none"> a. July 2, 1998 Policy Subcommittee Meeting Summary b. Approval of the Statement of Equity Real Estate Leverage Policy (Second Reading) c. Proposed Agenda for the August 12, 1998 Policy Subcommittee Meeting
INFORMATION	17.	Chief Investment Officer/Assistant Executive Officer's Report
		<ul style="list-style-type: none"> a. Asset Allocation b. Cash Flow c. Status Report d. Report on Closed Session Items
CONSENT	18.	Quarterly/Semi-Annual Performance Reports
		<ul style="list-style-type: none"> a. Real Estate Quarterly Performance Report b. Member Home Loan Program Quarterly Performance Report

- c. Alternative Investment Management (AIM)
Program Quarterly Performance Report
- d. Alternative Investment Management (AIM)
Program - Wilshire Associates, Inc. Semi-Annual
Performance Report
- e. Securities Lending Earnings Quarterly
Performance Report
- f. Policy Guidelines Quarterly Performance Report -
Internally Managed Short-Term Fund
- g. Policy Guidelines Quarterly Performance Report -
Domestic Fixed Income

CONSENT

- 19. Activity Reports
 - a. Alternative Investment Management (AIM) Program -
Partnership Component
 - b. Alternative Investment Management (AIM) Program -
Direct Component

CONSENT

- 20. Investment Transactions (May, 1998)
 - A. Public Employees' Retirement Fund
 - 1. Portfolio Summary and Transactions
 - 2. Alternative Investment Management (AIM) Program
Transactions
 - 3. Internally Managed Fixed Income Transactions
 - 4. Real Estate Equity Transactions
 - 5. Summary of Special Investment Transactions
 - 6. Equity Transactions
 - (a) External Management
 - (b) Internal Management
 - 7. International Transactions
 - 8. Convertible Security Transactions
 - 9. Corporate Actions
 - B. Legislators' Retirement Fund
 - C. Judges' Retirement Fund
 - D. Public Employees' Medical & Hospital
Care Act Contingency Reserve Fund
 - E. Volunteer Firefighters Length of Service
Award Fund

CONSENT

- 21. Investment Transactions (June, 1998)
 - A. Public Employees' Retirement Fund
 - 1. Portfolio Summary and Transactions
 - 2. Alternative Investment Management (AIM) Program
Transactions

3. Internally Managed Fixed Income Transactions
4. Real Estate Equity Transactions
5. Summary of Special Investment Transactions
6. Equity Transactions
 - (a) External Management
 - (b) Internal Management
7. International Transactions
8. Convertible Security Transactions
9. Corporate Actions

B. Legislators' Retirement Fund

C. Judges' Retirement Fund

D. Public Employees' Medical & Hospital
Care Act Contingency Reserve Fund

E. Volunteer Firefighters Length of Service
Award Fund

INFORMATION 22. Draft Agenda for September 14, 1998

23. Public Comment

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.